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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

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May 29, 1991

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NSW NUMBER

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423
MAY 29 1991 - 1 50 PM
INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Railcar Lease Agreement dated as of December 31, 1990, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Lessor: Residual Based Finance Corporation
Three First National Plaza
Chicago, Illinois 60602

Lessee: The Detroit Edison Company
6200 West Warren Street
Detroit, Michigan 48210

A description of the railroad equipment covered by the enclosed document is set forth in Schedules A-1 and A-2 attached and made a part hereof.

Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

C. T. Kappler

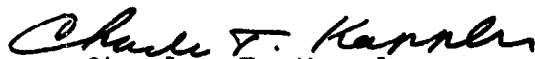
Mr. Sidney L. Strickland, Jr.
May 29, 1991
Page Two

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Railcar Lease Agreement dated as of December 31, 1990 between Residual Based Finance Corporation, Lessor, and The Detroit Edison Company, Lessee, covering railcars bearing DEEX reporting marks and numbers.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

36

SCHEDULE A-1

<u>Fixed</u>	<u>Rotary</u>
DEEX 4004	DEEX 4009
4008	4011
4012	4013
4018	4021
4022	4035
4028	4049
4036	4071
4044	4073
4060	4079
4062	4083
4064	4085
4080	4095
4084	4099
4090	
4096	

SCHEDULE A-2

<u>Fixed</u>	<u>Rotary</u>
DEEX 4102	DEEX 4101
4104	4103
4106	4105
4108	4107
4110	4109
4112	4111
4114	4113
4116	4115
4120	4117
4122	4119
4126	4121
4128	4123
4130	4125
4132	4127
4134	4129
4136	4131
4138	4133
4140	4135
	4137
	4139
	4141
	4143

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INTERSTATE COMMERCE COMMISSION

RAILCAR LEASE AGREEMENT

THIS LEASE, made and entered into as of this 31st day of December, 1990, by and between RESIDUAL BASED FINANCE CORPORATION, an Illinois corporation, hereinafter called "Lessor", and THE DETROIT EDISON COMPANY, a Michigan corporation, hereinafter called "Lessee".

RECITALS:

A. Lessee desires to lease from Lessor the railway cars (the "Existing Cars") listed on Schedules A-1 (the "Existing A-1 Cars") and A-2 (the "Existing A-2 Cars") hereto.

B. The Existing Cars, together with certain other railway cars, are subject to that certain Lease of Railroad Equipment dated as of July 1, 1975 between Lessee and Lessor, as the ultimate assignee of the original lessor, First National Bank of Louisville, as Trustee, as amended (the "1975 Lease").

C. The term of the 1975 Lease as to the Existing A-1 Cars and the Existing A-2 Cars expires on December 31, 1990 and June 30, 1991, respectively (the "Scheduled Termination").

D. Certain of the Existing Cars may be subject to a Casualty Occurrence (as defined in the 1975 Lease) prior to expiration of the 1975 Lease.

E. Lessor desires to lease to Lessee all of the Existing Cars pursuant to the terms hereof concurrent with the expiration of the term of the 1975 Lease with respect thereto, except for Existing Cars which are subject to a Casualty Occurrence prior to the Scheduled Termination (all of the Existing Cars, other than those so subject to a Casualty Occurrence, are herein referred to as the "Cars", and the Cars listed on Schedules A-1 and A-2 hereto are herein referred to as the "A-1 Cars" and the "A-2 Cars", respectively).

NOW, THEREFORE, in consideration of the premises and the following mutual agreements the parties hereto hereby agree as follows:

1. Lease; Rent; Net Lease. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Cars upon the terms and conditions herein set forth. For each Car leased by Lessor to Lessee hereunder, Lessee agrees to pay Lessor rent in the amount of \$225 ("Monthly Rental Per Car") per month (subject to adjustment in accordance with the provisions of Section 31 upon exercise of the Renewal Option set forth therein) for each month or fraction of a month during the term of this Lease with respect to such Car ("Rent").

The term of this Lease with respect to each of the Cars shall begin upon the Scheduled Termination of the 1975 Lease with respect to such Car, and shall continue in effect until returned to Lessor at the end of the term of this Lease, as hereafter provided in Section 5 or until receipt of the Casualty Value (as hereinafter defined) with respect thereto. Payment of Rent shall be made to Lessor at the address specified in Section 25, or to such other place as Lessor may direct, on the last day of each month in arrears, with the first month's payment due on January 31,

1991 and July 31, 1991 as to the A-1 Cars and the A-2 Cars, respectively. Rent for any Car for any partial month shall be pro rated on a daily basis. Any costs incurred by Lessor in collecting Rent not paid by Lessee when due, including reasonable attorneys' fees, will be paid by Lessee.

Except as expressly provided herein, Lessee shall not be entitled to any abatement of Rent, reduction thereof or set-off, counterclaim, recoupment or defense against Rent or any other amount payable hereunder for any reason, including, but not limited to, abatements, reductions, set-offs, counterclaims, recoupments and defenses due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor or any other person for any reason whatsoever; nor shall this Lease terminate or the obligations of Lessee be otherwise affected by reason of any defect in the condition, design, operation, fitness for use, loss of possession or use or destruction of or damage to, or the prohibition of or other restriction against Lessee's use of the Cars or any thereof, or the interference with use or possession thereof by any person or entity or the invalidity or unenforceability or lack of due authorization of this Lease or any insolvency of or the bankruptcy, reorganization or similar proceeding against Lessee.

Lessor agrees that during the term of this Lease as to a Car so long as Lessee is not in default hereunder, Lessee, and any sublessee permitted pursuant to the terms hereof, shall have and enjoy an unconditional right quietly to enjoy and use such Car free from any disturbance or interruption of possession arising as a result of any action or inaction, failure of title, or conduct of or by Lessor, or of or by any assignee of its rights hereunder.

2. Possession. All Cars are currently in Lessee's possession and control.

3. Warranties and Representations. LESSOR IS NOT THE MANUFACTURER OF THE CARS. LESSOR LEASES THE CARS AS IS AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE CARS. WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS LEASE TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN, THE CARS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY CAR.

4. Casualty. Lessee agrees to notify Lessor within 60 days of its having determined that any Car has become lost, stolen, irreparably damaged, destroyed, or confiscated (each such occurrence being hereinafter referred to as a "Casualty"). On the rental payment date next succeeding the date of such notice, Lessee will pay the basic rental payment for such Car due on such date (together with any other unpaid rentals as to such Car) plus a sum equal to the Casualty Value for such Car as of such rental payment date. The term "Casualty Value" as used herein shall mean, at any time, the amount set forth for such time on Schedule B hereto. Lessor appoints Lessee as its agent to dispose of any Car suffering a Casualty at the best price obtainable on an "as is, where is" basis. If Lessee shall have previously paid the Casualty Value of such Car to Lessor pursuant hereto, Lessee shall be entitled to the proceeds of such sale, including without limitation proceeds paid by a railroad as settlement for destruction of such Car, to the extent such

proceeds do not exceed the Casualty Value of such Car, and shall pay any excess to Lessor. Lessee shall be entitled to any proceeds that are paid by insurance companies as a result of a Casualty. Lessor shall have the right, but shall not be obligated, to substitute for any Car which has suffered a Casualty another car of the same type and capacity and the Rent in respect to such substituted car shall commence upon delivery of such substituted car to Lessee, which shall thereafter be deemed to be a "Car" for the purposes hereof. Any such replacement car shall be subject to Lessee's inspection upon delivery to Lessee.

In order to facilitate the sale or other disposition of any Car which becomes Lessee's property as hereinbefore provided, Lessor shall, upon request of Lessee, execute and deliver to Lessee or to Lessee's vendee, assignee or nominee, a bill of sale for such Car, warranting title free and clear of all liens, security interests, and other encumbrances (except such as may have arisen by, through or under Lessee during the term of this Lease) and such other documents as may be required to release such Car from the terms and scope of this Lease and from any other lien or encumbrance of Lessor's making, undertaking or sufferance, in such forms as may be reasonably required by Lessee.

5. Return of Cars. Upon expiration of any original or extended term of this Lease, Lessee will, at its own cost and expense, return the Cars in good condition, reasonable wear and tear excepted, in the condition prescribed by Section 6 hereof, free of commodity accumulations or deposits, to not more than two reasonable places designated by Lessor within 400 miles, and not further than 200 miles west, of Chicago, Illinois. In the case of an expiration other than in the case of a default hereunder, Lessor shall give Lessee thirty (30) days prior written notice of such places. Prior to such redelivery, Lessee shall store the Cars at Lessee's expense for a period of up to 45 days from the date of expiration of this Lease or, if later, of assembly of the Cars for redelivery to Lessor; provided, however, if Lessee assembles the Cars for redelivery not less than 45 days prior to expiration of the term of this Lease as to the Cars, to allow for Lessor's inspection of the Cars. Lessee shall not be obligated to provide for storage of the Cars subsequent to such expiration. Rental for each Car shall cease to accrue on the later of the date of expiration of this Lease or arrival of the Cars at the location provided by Lessee for Lessor's inspection of the Cars, provided that Lessee subsequently delivers the Cars to points designated by Lessor within the 30 day period following Lessor's notice of the return locations to Lessee; otherwise rental on the Cars shall resume and continue to accrue and be payable upon conclusion of such 30 day period and continue until the Cars are delivered to the points specified by Lessor pursuant hereto.

6. Maintenance, Repairs and Modifications. The Cars shall be maintained by Lessee in good condition and repair and in efficient working order over the term of this Lease, reasonable wear and tear excepted, acceptable for unrestricted interchange service in conformity with the AAR Interchange Rules and operable in conformity with the requirements of any other governmental or nongovernmental agency having jurisdiction over the operation, safe condition, maintenance or use of the Cars. The Cars shall be delivered to Lessor as required pursuant hereto in the condition required pursuant to the preceding sentence at the expiration of this Lease with respect to such Cars. Lessee will not, or allow any third party to, alter materially the physical structure of any of the Cars without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold consent to any such modifications or additions to the Cars so long as the value and utility of the Cars is not impaired, in Lessor's judgement, and provided that any such additions which are not readily removable without material damage or diminution shall be considered accessions to the Cars. Any parts installed or replacements made by Lessee upon any

Car shall be considered accessions to such Car and title thereto shall be immediately vested in Lessor, without cost or expense to Lessor.

7. Use and Operation of Cars. Lessee agrees the Cars will be used and operated in a manner consistent with applicable laws, and in a careful and proper manner, in compliance with the terms of this Lease, in the use, service and manner for which the Cars were designed. The Cars shall be used only within the United States or Canada. In order to avoid recapture of any tax benefit claimed by Lessor with respect to the Cars, including, but not limited to, any deduction allowable under Section 168 and related sections of the Internal Revenue Code of 1986, as amended (the "Code"), Lessee shall use, and shall cause third parties whose use Lessee can control to use, the Cars predominantly within the United States, in accordance with the Code. If any of the Cars are used outside the continental United States, Lessee shall indemnify and reimburse Lessor for any customs duties, taxes, loss of tax benefits, or other expenses resulting from such use.

8. Prohibitions of Liens by Lessee. Lessee, at its own expense, will promptly pay or cause to be paid, or otherwise satisfy and discharge, any and all sums claimed by any party by, through or under Lessee or its successors or assigns which, if unpaid, might become a lien upon any Car, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not adversely affect the title, property or rights of Lessor created or purported to be created hereunder or the security interest of any assignee of this Lease.

9. Freight and Other Charges. Lessor shall not be obligated for the payment of any switching, freight, or other charges incurred by the movement or the holding of the Cars, either loaded or empty, during the term of this Lease or in connection with the performance of Lessee's obligations hereunder, all of which will be paid by Lessee. Lessor shall have no right or claim to any per diem, demurrage or other Car hire charges arising out of the use of the Cars during the term of this Lease and all such charges, as applicable, shall belong and be payable to Lessee.

10. Lettering of Cars. Lessee will cause each Car to be kept identified with the reporting marks for the Cars in accordance with the AAR Interchange Rules as indicated in Schedules A-1 and A-2 annexed hereto. Lessee agrees to keep and maintain on the sides of each Car, upon Lessor's request, in letters not less than one inch in height a legend reasonably satisfactory to Lessor indicating that the Cars have been leased and, if applicable, are subject to a security interest on file with the Interstate Commerce Commission, with appropriate changes thereof and additions thereto as from time to time may be required by Lessor. Lessee will promptly replace any such markings which may be removed, defaced or destroyed.

11. Taxes. Lessee will be responsible for the filing of all tax returns and will pay all taxes, assessments and other governmental charges levied upon or in respect of the Cars, this Lease or the use of the Cars under this Lease, including, but not limited to, any ad valorem or property taxes, levies, tariffs, all license or registration fees, assessments, fines, penalties and interest and any sales, use or similar taxes payable with respect to the Cars, this Lease or the use of the Cars under this Lease and all payments to be made by Lessee hereunder will be free of any expense to Lessor as to any of the foregoing. Notwithstanding the foregoing or the provisions of Section 13 hereof, Lessee shall not be responsible for or pay any income taxes, franchise taxes, privilege

taxes, value added taxes, gross receipts taxes or any similar taxes, in each case which are measured by reference to Lessor's income, capital, net worth, retained earnings or investments, in general, or any fines, penalties or interest thereon and shall not be responsible for the filing of any tax returns relative to any such taxes.

Lessee will be under no obligation to pay any taxes or other charges referred to in the preceding paragraph for which it is responsible hereunder so long as Lessee in good faith and by appropriate legal or administrative proceedings is contesting the validity or amount thereof and the nonpayment thereof does not, in Lessor's reasonable judgment, materially adversely affect the title, property or rights of Lessor, or the security interest of any assignee, in or to any Car. Such contest will be brought in the name of Lessee, if permissible; if not permissible, Lessor, at Lessee's sole cost and expense, will bring the contest in Lessor's own name. Lessor will reasonably cooperate with Lessee and take any actions reasonably required to permit and prosecute such a contest. Lessee and Lessor shall each reasonably cooperate with the other in providing necessary tax information to the other party relating to the Cars and the use thereof. At Lessor's request, the Lessee shall provide the Lessor with an exemption certificate based upon the exclusive use of the Cars as railroad rolling stock moving in interstate commerce.

12. Responsibility for Lading. Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in or on the Cars, however such loss or damage shall be caused, or shall result. Lessee agrees to assume responsibility for, and to indemnify Lessor against, and to save it harmless from, any such loss, damage or claim.

13. Indemnification. Lessee agrees to indemnify and save Lessor harmless from and against any and all liability, loss, damage, claims, suits, demands, causes of action, costs, expenses (including without limitation attorneys' fees) and judgements (including without limitation claims for property damage, personal injury or wrongful death) arising directly or indirectly out of the use, custody, control, transportation or operation of the Cars, or their location or condition, whether in contract, tort, strict liability in tort or otherwise, except to the extent the same is proximately caused by the gross negligence or willful misconduct of Lessor or its assigns. Lessee agrees, if Lessor so requests and at Lessee's sole cost and expense, to defend any and all suits which may be brought against Lessor, either alone or in conjunction with others, upon any such liability or claim. Lessee also agrees to pay and indemnify Lessor from any and all penalties, fines, and levies arising from the operation of the Cars under this Lease. Lessee's obligations hereunder shall survive the termination of this Lease.

14. Assignment. Lessee shall be entitled to the possession and use of the Cars and may permit the possession and use by others in the normal course of Lessee's business in accordance with the terms of this Lease. Except as herein provided, Lessee will not assign, transfer, encumber or otherwise dispose of this Lease, the Cars or any part thereof, or sublet any Car without the prior written consent of Lessor. Lessee will not permit or suffer any liens, claims, security interests or other encumbrances to be entered or levied upon any Car, other than such as may arise by, through, or under Lessor or any assignee of Lessor's rights hereunder.

This Lease is assignable by Lessor. If Lessor assigns its interests under this Lease and in the Cars to one or more banks, insurance companies or other financial institutions as security for one or more loans, Lessee shall, in the event of any such assignment and upon notice thereof from Lessor: (i) recognize such assignment; (ii) make all payments of Rent and other

amounts due under this Lease as so assigned directly to the assignee identified in such notice or to its designee; (iii) accept the directions or demands of such assignee in place of those of Lessor; (iv) surrender the Cars to such assignee upon termination of this Lease; (v) make payments of Rent and all other obligations of Lessee hereunder without reduction, abatement, defense, set-off, counterclaim or recoupment for any reason whatsoever; and (vi) except as otherwise provided herein, not terminate this Lease; provided, however, nothing contained in this Section 14 shall relieve Lessor from its obligations to Lessee hereunder, nor shall any assignee hereof be relieved of the obligation to release its interests in any Car upon the occurrence of a Casualty and the payment by Lessee of the Casualty Value and all other payments due with respect to such Car.

15. Right to Sublease. Lessee may enter into a sublease of the Cars to others for use within the continental United States if the rights of any such sublessee shall be expressly subject and subordinate to all of the terms hereof; provided, however, that Lessee shall not sublease the Cars or otherwise permit the Cars to be used by others for a term of one year or more without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall notify Lessor as promptly as practicable of any sublease with a term of more than six months. No sublease of the Cars will release Lessee from any of its obligations under this Lease.

16. Reporting. On or before March 31 in each year, commencing with the year 1991, Lessee will furnish to Lessor an accurate statement (a) setting forth as at the preceding December 31 the quantity, description and road numbers of all Cars then leased hereunder, the quantity, description and road numbers of all Cars that have suffered a Casualty or are then undergoing repairs (other than running repairs) or have been withdrawn from use pending repairs (other than running repairs) during the preceding calendar year and such other information regarding the condition and state of repair of the Cars as Lessor may reasonably request and (b) stating that, in the case of all Cars repaired or repainted during the period covered by such statement, any numbers and markings required by Section 10 have been preserved or replaced. Lessor, and any assignee of Lessor, shall have the right, by its agent, to inspect the Cars and Lessee's records with respect thereto at such reasonable times as Lessor may request during the term of this Lease. Lessee will furnish to Lessor and any assignee of Lessor not later than 120 days after the end of each fiscal year of Lessee, a consolidated balance sheet of Lessee as at the end of such fiscal year, and the consolidated statements of income and changes in financial position of Lessee for such fiscal year, together with equivalent information for the prior fiscal year, all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the period involved and audited by a nationally recognized firm of independent certified public accountants. Lessee will also furnish to Lessor and any assignee of Lessor not later than 60 days after the end of each fiscal quarter of Lessee, an unaudited consolidated balance sheet of Lessee as at the end of such fiscal quarter, and an unaudited consolidated statement of income of Lessee for such fiscal quarter, together with equivalent information for the corresponding fiscal quarter of the prior fiscal year.

17. Records. Lessee will perform all record keeping functions and shall be responsible for preparation and filing of all documents relating to the registration, use, and maintenance of the Cars, including (i) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register, (ii) records pertaining to movement of the Cars and maintenance of the Cars in accordance with the AAR Interchange Rules, and (iii) any reports as may be required from time to time by the Interstate Commerce Commission

or other regulatory agencies with respect to the Cars. Lessee agrees to provide such information to Lessor from time to time as Lessor may reasonably request.

18. Inspection. Lessor shall, at its sole cost and expense, at any reasonable time upon reasonable notice to Lessee during the normal business hours and without interfering with Lessee's operations, have the right to enter the premises of Lessee for the purpose of inspecting the Cars to ensure Lessee's compliance with its obligations hereunder.

19. Representation and Warranties. Lessee represents and warrants that (a) Lessee is a duly organized, validly existing corporation in good standing under the laws of the state of its incorporation and is duly qualified to do business in all jurisdictions in which qualification is required in order for it to carry out the transactions contemplated by this Lease; (b) Lessee has full corporate power, authority and legal right to execute, deliver and perform this Lease, and the execution, delivery and performance hereof has been duly authorized by all necessary corporate action of Lessee; and (c) there is no action, suit, investigation or proceeding by or before any court, arbitrator, administrative agency or other governmental authority pending or threatened against Lessee which involves the Cars or the transactions contemplated by this Lease.

20. Insurance. Lessee will, at all times prior to the return of the Cars to Lessor, at its expense cause to be carried and maintained with companies of reputable standing public liability insurance with respect to third party personal injury and property damage, against such risks and in such amounts as is consistent with prudent industry practice, as to which Lessor and any of Lessor's assignees will be named additional insured. Lessee shall maintain physical damage insurance covering the Cars in an amount not less than the Casualty Value thereof with companies of reputable standing, or in lieu thereof, maintain a program of self insurance. Lessee will provide to Lessor and to each assignee of Lessor, upon request, a statement of the insurance maintained pursuant to the insurance provision of this Lease.

21. Remedies. If (a) Lessee after thirteen business days notice shall fail to carry out and perform any of the obligations on its part to be performed under this Lease, or (b) any representation or warranty made by Lessor herein or in connection herewith shall be misleading or false in any material respect as of the date made, or (c) any proceedings shall be commenced by or against Lessee for any relief under any bankruptcy or insolvency law or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension, or (d) the Lessee becomes insolvent or fails generally to pay its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a custodian, trustee or receiver for the Lessee or for the major part of its property, then, and in any of said events (each of which is herein referred to as an "event of default"), Lessor shall have all rights available to it at law or in equity, including without limitation the right to immediately repossess the Cars, to remove the Cars from Lessee's service, to terminate this Lease, and recover any and all damages sustained as a result of any of the foregoing events or such termination of the Lease. If Lessor shall terminate this Lease pursuant to this Section 21, Lessee shall remain liable for all accrued and unpaid Rent and other amounts due hereunder. The rights and remedies herein given to Lessor shall in no way limit its other rights and remedies given or provided by law or in equity. Notwithstanding that this Agreement is a lease and title to the Cars is at all times in Lessor, Lessor may nevertheless at its option choose those rights and remedies of a secured party under the Uniform Commercial Code. In addition, Lessor, at its option, may: (a) declare all sums due and to become due hereunder immediately due and payable, but in no event

shall the Lessee, upon demand by Lessor for payment of unpaid Rent, upon acceleration of the maturity thereof or otherwise, be obligated to pay any amount in excess of that permitted by law; (b) proceed by appropriate court action or actions or other proceedings either at law or in equity to enforce performance by the Lessee of any and all covenants of this Lease and to recover damages for the breach thereof; (c) demand that Lessee deliver the Cars forthwith to Lessor at Lessee's expense at such place as Lessor may designate; and (d) Lessor and/or its agents may without notice or liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Cars may be or by Lessor are believed to be, and repossess all or any item thereof, Lessee hereby expressly waiving all further rights to possession of the Cars and all claims for injuries suffered through or loss caused by such repossession; but the Lessor shall nevertheless be entitled to recover immediately as liquidated damages for loss of the bargain and not as a penalty any unpaid Rent that accrued on or before the occurrence of the event of default plus an amount equal to the difference between the aggregate Rent reserved hereunder for the unexpired term of this Lease and the then aggregate rental value of all Cars for such unexpired term, provided, however, that if any statute governing the proceeding in which such damages are to be proved specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The provisions of this paragraph shall be without prejudice to any rights given to the Lessor by such statute to prove for any amounts allowed thereby. Should any proceedings be instituted by or against Lessor for monies due to Lessor hereunder and/or for possession of any or all of the Cars or for any other relief, Lessee shall pay a reasonable sum as attorneys' fees. No remedy of Lessor hereunder shall be exclusive of any remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy.

22. Late Charges. Rent and other amounts not paid when due shall bear interest payable on demand, at the rate of 1.50% per month, if not prohibited by law, otherwise at the highest lawful rate.

23. Initial Term of Lease. This Lease shall remain in full force and effect, with regard to each of the A-1 Cars and the A-2 Cars, for an initial term of sixty (60) and fifty-four (54) months, respectively, from the date of the Scheduled Termination as to such Cars.

24. Successors and Assigns. This Lease, shall be binding upon and inure to the benefit of Lessor, its successors and assigns, and Lessee, its legal representatives and successors, provided, however, this Lease may not be assigned by Lessee.

25. Notice. Any notice to be given under this Lease shall be given by certified mail in the following manner:

(a) Notices from Lessor to Lessee shall be sent to:

Supervisor
Budget & Management Information
Detroit Edison
2000 Second Avenue - 945 WCB
Detroit, MI 48226

(b) Notices from Lessee to Lessor shall be sent to:

Residual Based Finance Corporation
Three First National Plaza
Suite 1240
Chicago, IL 60602
Attention: President

or to such other address as may be specified by any party hereto by notice to any other party hereto.

26. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

27. Further Assurances. Lessee will, at its expense, promptly and duly execute and deliver to Lessor such further documents and assurances and take such further action as Lessor may from time to time reasonably request in order to protect the rights, interests and remedies created or intended to be created in favor of Lessor hereunder, including, without limitation, the execution, delivery, recordation and filing of documents with the Interstate Commerce Commission, and the execution and filing of Uniform Commercial Code financing statements in the appropriate jurisdictions.

28. Execution. This Lease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract.

29. Governing Law. This Lease shall be governed by Illinois law.

30. Amendments. All amendments to this Lease must be in writing and executed by Lessor and Lessee.

31. Renewal Option. Provided this Lease has not been earlier terminated and no breach of this Lease exists, Lessee may, by written notice delivered to Lessor not less than 180 days prior to the expiration of the initial term of this Lease (provided that Lessee shall not have suffered a material adverse change in financial condition after the date hereof), extend the term of this Lease in respect of all Cars then covered by this Lease (such extension is herein referred to as the "Renewal Option") for an additional four (4) year (or, at Lessee's option specified in such notice, five (5) year) period commencing on January 1, 1996 and expiring December 31, 1999 (or, if Lessee has exercised its option to extend the Lease for five (5) years, December 31, 2000). Upon exercise of the Renewal Option the Monthly Rental Per Car shall reduce to \$185, effective commencing on January 1, 1996.

32. Financing Arrangements. Lessee acknowledges that Lessor intends to seek long-term financing for the Cars and to grant to the Lease Assignee (as hereinafter defined) providing such financing both an assignment of this Lease and a security interest in the Cars. In connection with such financing, Lessee agrees to use reasonable efforts to cooperate with Lessor upon Lessor's reasonable request. It is understood and agreed that Lessor or any Lease Assignee

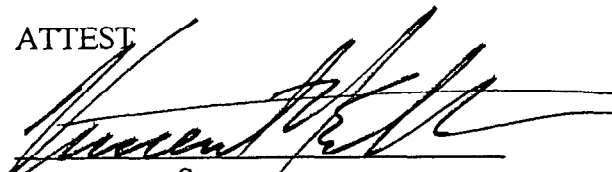
may assign this Agreement with respect to some or all of the Cars to any security trustee, secured party or owner of such Cars (each herein a "Lease Assignee"). Upon delivery of a notice of assignment to Lessee, Lessor as used herein shall mean such Lease Assignee. Lessee shall consent to and acknowledge in writing, upon receipt of notice of assignment, such assignment of this Agreement by Lessor or any Lease Assignee; provided, that any such consent and/or acknowledgement shall not in any manner increase or change the rights, obligations, duties or legal position of the Lessee. Lessor agrees that the rights of any Lease Assignee shall be subject to all the terms and conditions of this Agreement. Each Lease Assignee shall agree that the rights of any subsequent Lease Assignee shall also be subject to all the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed and delivered as of the day and year first above written.

LESSOR:

RESIDUAL BASED FINANCE
CORPORATION

ATTEST


Secretary

By:


Title: President

Date: 1/25/91

LESSEE:

THE DETROIT EDISON COMPANY

ATTEST


Secretary

By:

Title: Vice President & Treasurer

Date: 1/30/91

THIS IS COUNTERPART NUMBER 1 OF 6 SERIALLY NUMBERED, MANUALLY EXECUTED COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST, AND NO RIGHT, TITLE OR INTEREST IN THIS LEASE, MAY BE EFFECTED BY THE TRANSFER AND POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NUMBER ONE.

SCHEDULE A-1

<u>Fixed</u>	<u>Rotary</u>
DEEX 4004	DEEX 4009
4008	4011
4012	4013
4018	4021
4022	4035
4028	4049
4036	4071
4044	4073
4060	4079
4062	4083
4064	4085
4080	4095
4084	4099
4090	
4096	

125-ton Gondolas

SCHEDULE A-2

<u>Fixed</u>	<u>Rotary</u>
DEEX 4102	DEEX 4101
4104	4103
4106	4105
4108	4107
4110	4109
4112	4111
4114	4113
4116	4115
4120	4117
4122	4119
4126	4121
4128	4123
4130	4125
4132	4127
4134	4129
4136	4131
4138	4133
4140	4135
	4137
	4139
	4141
	4143

125-ton Gondolas

11-Jan-91

SCHEDULE B

Month	Date	Casualty Value Per Car	Month	Date	Casualty Value Per Car	Month	Date	Casualty Value Per Car
1	Jan-91	\$20,403	41	May-94	\$16,921	81	Sep-97	\$12,993
2	Feb-91	\$20,403	42	Jun-94	\$16,825	82	Oct-97	\$12,880
3	Mar-91	\$20,315	43	Jul-94	\$16,729	83	Nov-97	\$12,766
4	Apr-91	\$20,227	44	Aug-94	\$16,631	84	Dec-97	\$12,649
5	May-91	\$20,138	45	Sep-94	\$16,533	85	Jan-98	\$12,593
6	Jun-91	\$20,049	46	Oct-94	\$16,434	86	Feb-98	\$12,491
7	Jul-91	\$19,958	47	Nov-94	\$16,334	87	Mar-98	\$12,387
8	Aug-91	\$19,868	48	Dec-94	\$16,241	88	Apr-98	\$12,281
9	Sep-91	\$19,777	49	Jan-95	\$16,184	89	May-98	\$12,173
10	Oct-91	\$19,685	50	Feb-95	\$16,090	90	Jun-98	\$12,063
11	Nov-91	\$19,592	51	Mar-95	\$15,994	91	Jul-98	\$11,950
12	Dec-91	\$19,499	52	Apr-95	\$15,898	92	Aug-98	\$11,835
13	Jan-92	\$19,444	53	May-95	\$15,801	93	Sep-98	\$11,718
14	Feb-92	\$19,356	54	Jun-95	\$15,702	94	Oct-98	\$11,599
15	Mar-92	\$19,267	55	Jul-95	\$15,603	95	Nov-98	\$11,477
16	Apr-92	\$19,178	56	Aug-95	\$15,502	96	Dec-98	\$11,353
17	May-92	\$19,088	57	Sep-95	\$15,400	97	Jan-99	\$11,298
18	Jun-92	\$18,997	58	Oct-95	\$15,297	98	Feb-99	\$11,193
19	Jul-92	\$18,906	59	Nov-95	\$15,193	99	Mar-99	\$11,085
20	Aug-92	\$18,814	60	Dec-95	\$15,088	100	Apr-99	\$10,974
21	Sep-92	\$18,721	61	Jan-96	\$15,031	101	May-99	\$10,860
22	Oct-92	\$18,628	62	Feb-96	\$14,934	102	Jun-99	\$10,743
23	Nov-92	\$18,534	63	Mar-96	\$14,836	103	Jul-99	\$10,623
24	Dec-92	\$18,439	64	Apr-96	\$14,737	104	Aug-99	\$10,500
25	Jan-93	\$18,378	65	May-96	\$14,637	105	Sep-99	\$10,373
26	Feb-93	\$18,289	66	Jun-96	\$14,535	106	Oct-99	\$10,243
27	Mar-93	\$18,198	67	Jul-96	\$14,432	107	Nov-99	\$10,110
28	Apr-93	\$18,107	68	Aug-96	\$14,328	108	Dec-99	\$9,974
29	May-93	\$18,015	69	Sep-96	\$14,222	109	Jan-2000	\$9,886
30	Jun-93	\$17,923	70	Oct-96	\$14,115	110	Feb-2000	\$9,743
31	Jul-93	\$17,829	71	Nov-96	\$14,007	111	Mar-2000	\$9,597
32	Aug-93	\$17,735	72	Dec-96	\$13,897	112	Apr-2000	\$9,446
33	Sep-93	\$17,640	73	Jan-97	\$13,833	113	May-2000	\$9,292
34	Oct-93	\$17,545	74	Feb-97	\$13,734	114	Jun-2000	\$9,135
35	Nov-93	\$17,448	75	Mar-97	\$13,633	115	Jul-2000	\$8,973
36	Dec-93	\$17,351	76	Apr-97	\$13,530	116	Aug-2000	\$8,808
37	Jan-94	\$17,294	77	May-97	\$13,426	117	Sep-2000	\$8,639
38	Feb-94	\$17,202	78	Jun-97	\$13,320	118	Oct-2000	\$8,502
39	Mar-94	\$17,109	79	Jul-97	\$13,213	119	Nov-2000	\$8,502
40	Apr-94	\$17,015	80	Aug-97	\$13,104	120	Dec-2000	\$8,502

COUNTY OF _____)
) ss.
STATE OF _____)

On 31, January, 1991 before me, the undersigned, a Notary Public, in and for said State, personally appeared Leslie L. Loomans, known to me to be the Vice President & Treasurer of The Detroit Edison Company, that executed the within instrument, known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors, for the purposes and consideration therein expressed.

WITNESS my hand and official seal

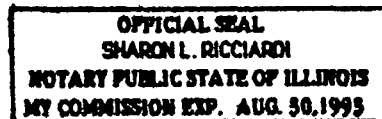
Reuel E. Ketter
Notary Public, Macomb County
State of Michigan
My Commission: August 23, 1993

COUNTY OF COOK)
) ss.
STATE OF ILLINOIS)

On JANUARY 25, 1991 before me, the undersigned, a Notary Public, in and for said State, personally appeared VINCENT KOLBER, known to me to be the PRESIDENT of Residual Based Finance Corporation, that executed the within instrument, known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors, for the purposes and consideration therein expressed.

WITNESS my hand and official seal

Sharon L. Ricciardi
Notary Public, DuPage County
State of ILLINOIS
My Commission: _____



STATE OF Michigan)
) SS
COUNTY OF Wayne)

On this 23 day of May, 1991, before me personally appeared Leslie L. Loomans, to me personally known, who, being by me duly sworn, says that (s)he is Vice President of The Detroit Edison Company, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public Jane E. Lenart

My commission expires March 11, 1994.

STATE OF _____)
) SS
COUNTY OF _____)

On this ___ day of _____, 19__, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that (s)he is _____ of _____, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My commission expires _____.